



Grain Transportation Report

A weekly publication of the
Transportation and Marketing Programs/Transportation Services Branch
www.ams.usda.gov/tmdtsb/grain

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The next
release is
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Pacific Northwest Rains Delay Rail Movements. Union Pacific reports that heavy rain between Portland and Seattle caused mudslides that covered tracks. Both north- and southbound trains in this corridor are being delayed from 36 to 48 hours. BNSF reports that traffic between the Canadian border and Portland is delayed 48 to 72 hours. BNSF also reports that terminal congestion is resulting in delays at Everett and Seattle, Washington.

Strong Grain Rail Movements Expected. Rail movements of grain are expected to remain stronger than the 3-year average for the next 3-5 months because producers are expected to sell more grain during the first half of the year. Also, train speeds are expected to improve and less competition is expected for limited rail capacity.

Grain carloadings for the week ending January 28 were 4.7 percent higher than the previous week, 5.6 percent higher than last year, and 9.1 percent higher than the 3-year average (see table 4 inside). The 4-week average of rail grain carloadings was 7.9 percent higher than last week, 5.1 percent higher than last year, and 4.3 percent higher than the 3-year average (see figure 3 inside). In comparison, U.S. carloadings for all commodities and for intermodal movements increased 5.1 percent and 6.6 percent, respectively, over the same week last year.

Grain Shippers Expect Adequate Rail Capacity. Grain shippers continue to expect adequate rail service this spring as secondary rail rates continue to fall at a slower rate. March, April, and May 2006 rates in the secondary grain car market are comparable to the 2000-2002 average, when rail capacity more closely matched grain transportation demand.

Average aggregate rates (average of BNSF and UP) for March delivery dropped \$14 from last week and \$280 from the peak rates (see figures at right and table 6 inside). Average aggregate rates for April delivery dropped \$5 from last week and \$118 from the peak. Average aggregate rates for May delivery dropped \$7 from last week and \$110 from the peak.

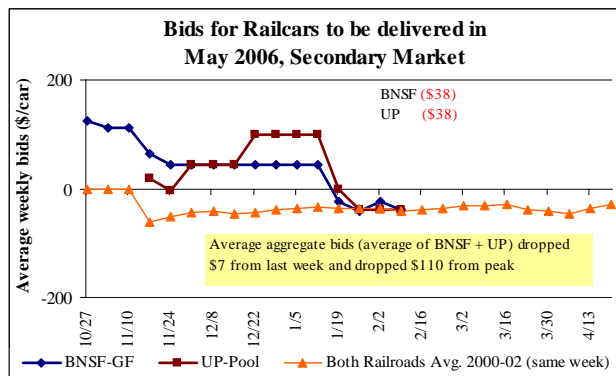
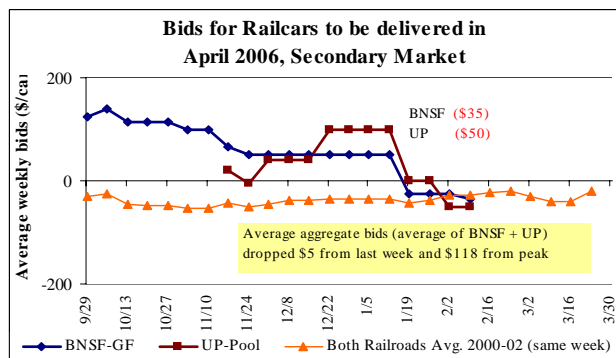
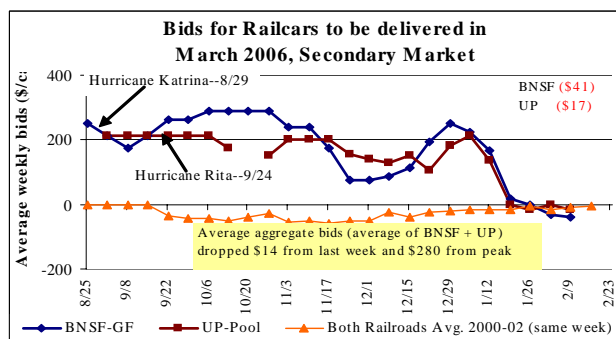
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USDA sponsors Agricultural Shipper

Workshops in California. On February 21-23, 2006, the USDA, in cooperation with the

Agricultural Transportation Coalition, will hold 3 Agricultural Shipper Workshops in Fresno, Modesto, and Bakersfield, CA. The Workshops are open, round-table discussions where exporters can address transportation challenges and solutions. The agenda includes fluctuations in ocean freight rates, proposed new container fees at California Ports, poor rail service and rising rates, and shortages of trucks and drivers. These workshops are the last in a series of workshops held also in Minneapolis, MN, Portland, OR, Boise, ID, and Atlanta, GA. For more information and to register for these workshops, visit this website,

http://www.agotc.org/Section.asp?article_id=168. April.Taylor@usda.gov



Grain Transportation Indicators

Table 1--Grain transport cost indicators*

Week ending	Truck	Rail**	Barge	Ocean	
				Gulf	Pacific
02/08/06	168	66	264	151	174
Compared with last week	↑	↓	↑	↑	↑

*Indicator: Base year 2000 = 100; Weekly updates include truck = diesel (\$/gallon); rail = nearby secondary rail market (\$/car); barge = spot Illinois River basis (index = percent of tariff rate); and ocean = routes to Japan (\$/metric ton)

**The rail indicator is not an index. It is the difference between the nearby secondary rail market bid for this week and the average bid for year 2000 (+) 100.

Source: Transportation & Marketing Programs/AMS/USDA

Table 2--Market update: U.S. origins to export position price spreads (\$/bushel)

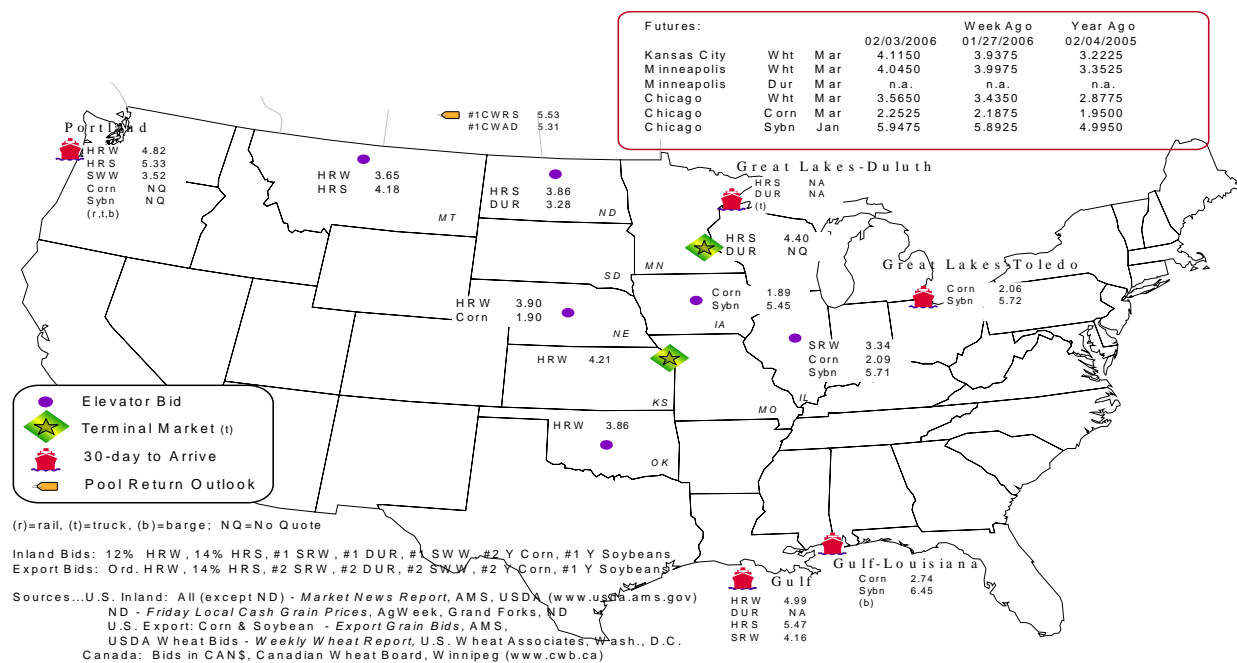
Commodity	Origin--destination	2/3/2006	1/27/2006
Corn	IL--Gulf	-0.65	-0.62
Corn	NE--Gulf	-0.84	-0.79
Soybean	IA--Gulf	-1.00	-0.99
HRW	KS--Gulf	-0.78	-0.78
HRS	ND--Portland	-1.47	-1.42

Note: nq = no quote

Source: Transportation & Marketing Programs/AMS/USDA

The **grain bid summary** illustrates the market relationships for commodities. Positive and negative adjustments in differential between terminal and futures markets, and the relationship to inland market points, are indicators of changes in fundamental market supply and demand. The map may be used to monitor market and time differentials.

Figure 1
Grain bid summary



Rail Transportation

Table 3--Rail deliveries to port (carloads)*

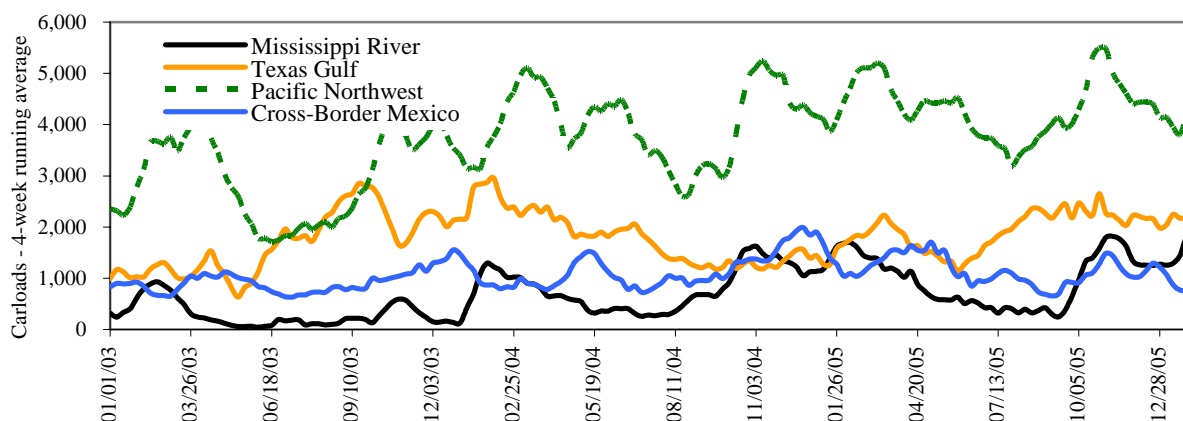
Week ending	Mississippi Gulf***	Texas Gulf	Cross-Border Mexico****	Pacific Northwest	Atlantic & East Gulf	Total
2/01/2006 ^p	1,736	2,769	332	4,221	535	9,593
1/25/2006 ^r	2,581	1,865	1,063	4,547	644	10,700
2006 YTD	8,964	11,542	3,335	20,791	2,576	47,208
2005 YTD	7,901	8,102	6,258	21,174	2,457	45,892
2006 as % of 2005	113	142	53	98	105	103
Total 2005**	50,677	99,864	60,879	223,328	15,752	450,500
Total 2004	43,102	92,073	59,102	209,625	10,986	414,888

(*) Incomplete Data; as of 9/22/04, Cross-Border movements included; (**) Includes 53rd week; (***) Mississippi Gulf data back to January, 2004 from several new sources has been added; (****) **Cross-border Mexico data for 2004 and 2005 has been amended to reflect amendments submitted by our sources.** YTD= year-to-date; p=preliminary data; r = revised data

Railroads originate approximately 40 percent of U.S. grain shipments. Trends in these loadings are indicative of market conditions and expectations.

Figure 2

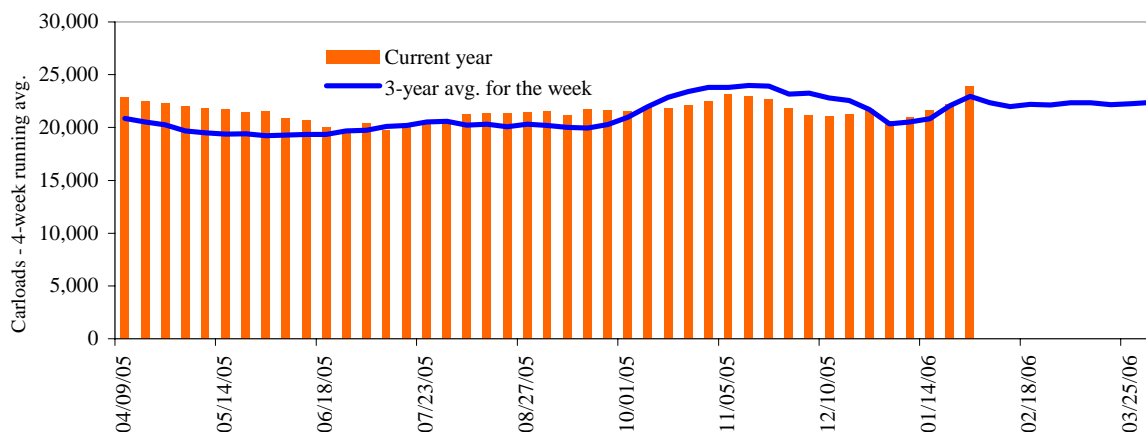
Rail deliveries to port



Source: Transportation & Marketing Programs/AMS/USDA

Figure 3

Total weekly U.S. grain car loadings for Class I railroads



Source: Association of American Railroads

Table 4--Class I rail carrier grain car bulletin (grain carloads originated)

Week ending	East		West			U.S. total	Canada	
	CSXT	NS	BNSF	KCS	UP		CN	CP
01/28/06	3,382	2,783	10,438	526	7,045	24,174	4,769	3,709
This week last year	3,145	3,213	10,164	692	5,686	22,900	5,336	3,617
2006 YTD	13,603	13,315	40,691	2,413	25,668	95,690	20,257	17,632
2005 YTD	12,723	14,343	38,371	2,860	22,716	91,013	18,496	16,348
2006 as % of 2005	107	93	106	84	113	105	110	108
Total 2005	152,060	167,465	476,033	27,459	307,170	1,130,187	225,817	215,145

Source: Association of American Railroads (www.aar.org); YTD = year-to-date

Table 5--Rail car auction offerings*, week ending 02/04/06 (\$/car)**

Delivery for:	Mar-06	Apr-06	May-06
BNSF ¹			
COT/N. grain	no offer	no offer	no bid
COT/S. grain	no bids	\$0	\$0
UP ²			
GCAS/Region 1	no offer	no bid	no offer
GCAS/Region 2	no offer	no bid	no offer

*Auction offerings are for single-car and unit train shipments only.

**Average premium/discount to tariff, last auction

¹BNSF - COT = Certificate of Transportation

N includes: ID, MN, MT, ND, OR, SD, WA, WI, WY, and Manitoba, Canada.

S includes: CO, IA, IL, KS, MO, NE, OK, TX, NM, AZ, CA, UT, and NV.

²UP - GCAS = Grain Car Allocation System

Region 1 includes: AR, IL, LA, MO, NM, OK, TX, WI, and Duluth, MN.

Region 2 includes: CO, IA, KS, MN, NE, WY, and Kansas City and St. Joseph, MO.

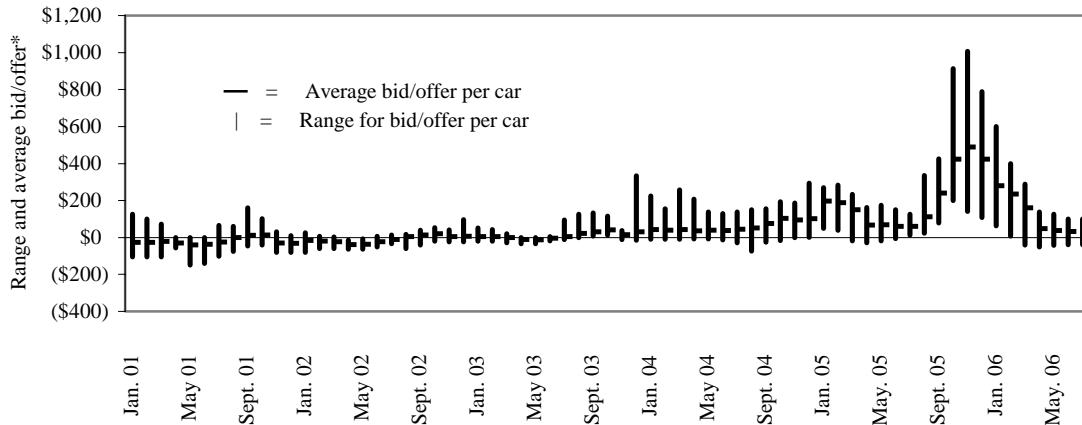
Source: Transportation & Marketing Programs/AMS/USDA

Rail service may be ordered directly from the railroad via **auction** for guaranteed service, or via tariff for nonguaranteed service, or through the secondary railcar market.

The **secondary rail market** information reflects trade values for service that was originally purchased from the railroad carrier as some form of guaranteed freight. The **auction and secondary rail** values are indicators of rail service quality and demand/supply.

Figure 4

Secondary rail car market, delivery month-year



*up to 6 months of trading

Source: Transportation & Marketing Programs/AMS/USDA

Average bid/offer is the simple average of all the weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Range for bid/offer shows the range of average weekly bids/offers over the entire period (up to 6 months) for guaranteed railcars that are traded for delivery in a particular month.

Table 6--Weekly secondary rail car market, week ending 02/04/06 (\$/car)*

	Delivery period			
	Mar-06	Apr-06	May-06	Jun-06
BNSF-GF	-\$41	-\$35	-\$38	-\$19
Change from last week	-\$10	-\$10	-\$13	-\$6
UP-Pool	-\$17	-\$50	-\$38	-\$38
Change from last week	-\$17	\$0	\$0	\$0

*Average premium/discount to tariff, \$/car-last week

Note: Bids listed are market INDICATORS only & are NOT guaranteed prices,

Missing value = no bid quoted; GF = guaranteed freight; Pool = guaranteed pool

Sources: Transportation and Marketing Programs/AMS/USDA

Data from Atwood/ConAgra, Harvest States Co-op, James B. Joiner Co., Tradewest Brokerage Co.

Table 7--Tariff rail rates for unit and shuttle train shipments***Effective date:**

2/6/2006

	Origin Region	Destination Region	Rate/car	Rate/metric ton	Rate/bushel**
<u>Unit train*</u>					
Wheat	Chicago, IL	Albany, NY	\$1,861	\$20.51	\$0.56
	Kansas City, MO	Galveston, TX	\$2,020	\$22.27	\$0.61
	South Central, KS	Galveston, TX	\$2,450	\$27.01	\$0.74
	Minneapolis, MN	Houston, TX	\$2,420	\$26.68	\$0.73
	St. Louis, MO	Houston, TX	\$2,360	\$26.01	\$0.71
	South Central, ND	Houston, TX	\$4,190	\$46.19	\$1.26
	Minneapolis, MN	Portland, OR	\$3,963	\$43.68	\$1.19
	South Central, ND	Portland, OR	\$3,963	\$43.68	\$1.19
	Northwest, KS	Portland, OR	\$4,490	\$49.49	\$1.35
	Chicago, IL	Richmond, VA	\$2,161	\$23.82	\$0.65
Corn	Chicago, IL	Baton Rouge, LA	\$2,610	\$28.77	\$0.73
	Council Bluffs, IA	Baton Rouge, LA	\$2,470	\$27.23	\$0.69
	Kansas City, MO	Dalhart, TX	\$2,365	\$26.07	\$0.66
	Minneapolis, MN	Portland, OR	\$3,130	\$34.50	\$0.88
	Evansville, IN	Raleigh, NC	\$1,961	\$21.62	\$0.55
	Columbus, OH	Raleigh, NC	\$1,850	\$20.39	\$0.52
	Council Bluffs, IA	Stockton, CA	\$3,606	\$39.75	\$1.01
	Chicago, IL	Baton Rouge, LA	\$2,655	\$29.27	\$0.80
Soybeans	Council Bluffs, IA	Baton Rouge, LA	\$2,515	\$27.72	\$0.75
	Minneapolis, MN	Portland, OR	\$3,610	\$39.79	\$1.08
	Evansville, IN	Raleigh, NC	\$1,961	\$21.62	\$0.59
	Chicago, IL	Raleigh, NC	\$2,561	\$28.23	\$0.77
<u>Shuttle Train*</u>					
Wheat	St. Louis, MO	Houston, TX	\$1,820	\$20.06	\$0.55
	Minneapolis, MN	Portland, OR	\$3,763	\$41.48	\$1.13
Corn	Fremont, NE	Houston, TX	\$2,124	\$23.41	\$0.59
	Minneapolis, MN	Portland, OR	\$3,024	\$33.33	\$0.85
Soybeans	Council Bluffs, IA	Houston, TX	\$2,412	\$26.59	\$0.72
	Minneapolis, MN	Portland, OR	\$3,170	\$34.94	\$0.95

*A unit train refers to shipments of at least 52 cars. Shuttle train rates are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

**Approximate load per car = 100 short tons: corn 56 lbs./bu., wheat & soybeans 60 lbs./bu.

Sources: www.bnsf.com, www.cpr.ca, www.csx.com, www.uprr.com

Table 8--Tariff rail rates for U.S. bulk grain shipments to Mexico, 2005**Effective date:** 2/06/06

Commodity	Origin State	Border crossing region	Train size	Rate¹	Rate/metric ton	Rate/bushel**
Wheat	KS	Brownsville, TX	Shuttle	\$2,851	\$29.13	\$0.79
	ND	Eagle Pass, TX	Unit	\$4,086	\$41.75	\$1.14
	OK	El Paso, TX	Shuttle	\$2,235	\$22.84	\$0.62
	OK	El Paso, TX	Unit	\$2,432	\$24.85	\$0.68
	AR	Laredo, TX	Unit	\$2,383	\$24.35	\$0.66
	IL	Laredo, TX	Unit	\$3,188	\$32.57	\$0.89
	MT	Laredo, TX	Shuttle	\$3,980	\$40.67	\$1.11
	TX	Laredo, TX	Shuttle	\$2,165	\$22.12	\$0.60
	MO	Laredo, TX	Shuttle	\$2,731	\$27.90	\$0.76
	WI	Laredo, TX	Unit	\$3,405	\$34.79	\$0.95
Corn	NE	Brownsville, TX	Shuttle	\$3,543	\$36.20	\$0.92
	NE	Brownsville, TX	Unit	\$3623*	\$37.02	\$0.94
	IA	Eagle Pass, TX	Unit	\$3,773	\$38.55	\$0.98
	MO	Eagle Pass, TX	Shuttle	\$3364*	\$34.37	\$0.87
	NE	Eagle Pass, TX	Shuttle	\$3764*	\$38.46	\$0.98
	IA	Laredo, TX	Shuttle	\$3,696	\$37.76	\$0.96
Soybean	IA	Brownsville, TX	Shuttle	\$3,318	\$33.90	\$0.92
	MN	Brownsville, TX	Shuttle	\$3,614	\$36.93	\$1.00
	NE	Brownsville, TX	Shuttle	\$3,127	\$31.95	\$0.87
	NE	Eagle Pass, TX	Shuttle	\$3,203	\$32.73	\$0.89
	IA	Laredo, TX	Unit	\$3,357	\$34.30	\$0.93

A unit train refers to shipments of at least 52 cars. Shuttle train are available for qualified shipments of more than 100 cars that meet railroad efficiency requirements.

¹Rates are based upon published tariff rates for high-capacity rail cars.

*High-capacity rate not available, rate estimated using published low-capacity tariff rate x 1.08

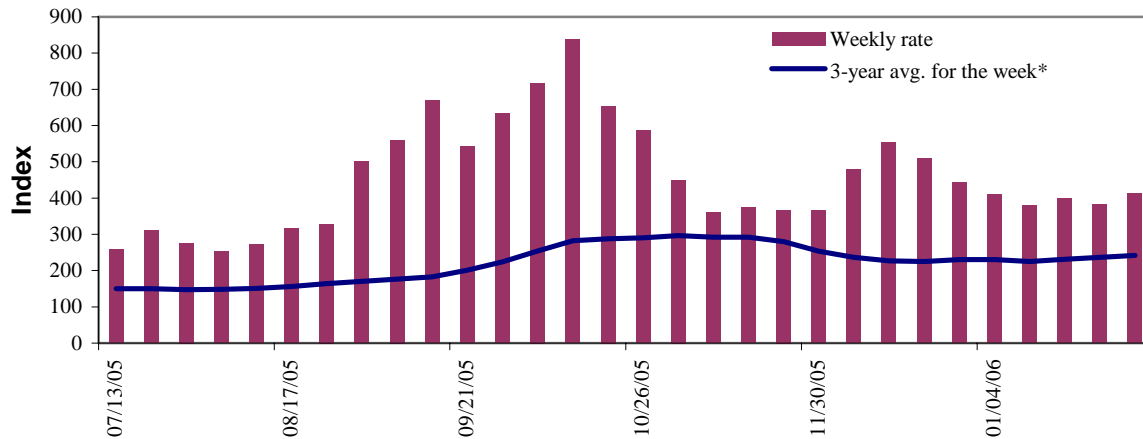
**Approximate load per car = 97.87 metric tons: Corn 56 lbs/bu, Wheat & Soybeans 60 lbs/bu

Sources: www.bnsf.com, www.uprr.com

Barge Transportation

Figure 5

Illinois River barge rate index - quotes



Note: Index = percent of tariff rate; *4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

The **Illinois River barge rate index** averaged 183 percent of the **benchmark tariff rates** between 1999 and 2001, based on weekly market quotes. The **index**, along with **rate quotes** and **futures market bids** are indicators of grain transport supply and demand.

Table 9--Barge rate quotes: southbound barge freight

Location	2/1/2006	1/25/2006	Mar. '06	May '06
Twin Cities	n/a	n/a	380	354
Mid-Mississippi	n/a	n/a	365	330
Illinois River	413	383	361	320
St. Louis	406	357	334	302
Lower Ohio	364	324	321	305
Cairo-Memphis	337	279	302	288

Index = percent of tariff, based on 1976 tariff benchmark rate

Source: Transportation & Marketing Programs/AMS/USDA

Calculating barge rate per ton:

$(\text{Index} * 1976 \text{ tariff benchmark rate per ton}) / 100$

Select applicable index from market quotes included in tables on this page. The 1976 benchmark rates per ton are provided in map (see figure 6).

Note: The Illinois barge rate is for Beardstown, IL, La Grange Lock & Dam (L&D 8).

Figure 6

Benchmark tariff rates

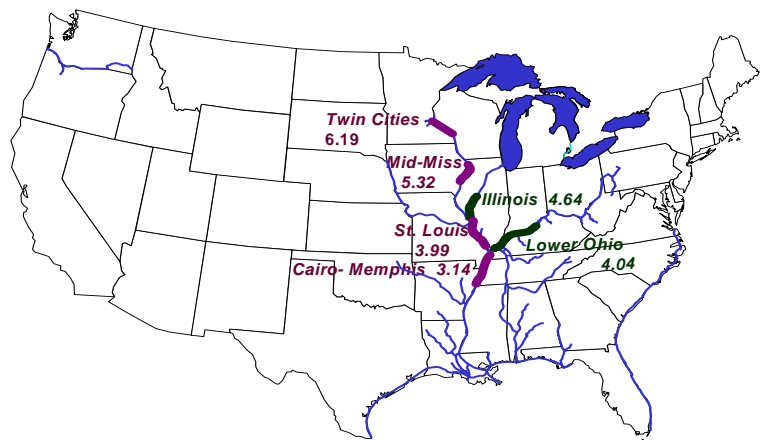
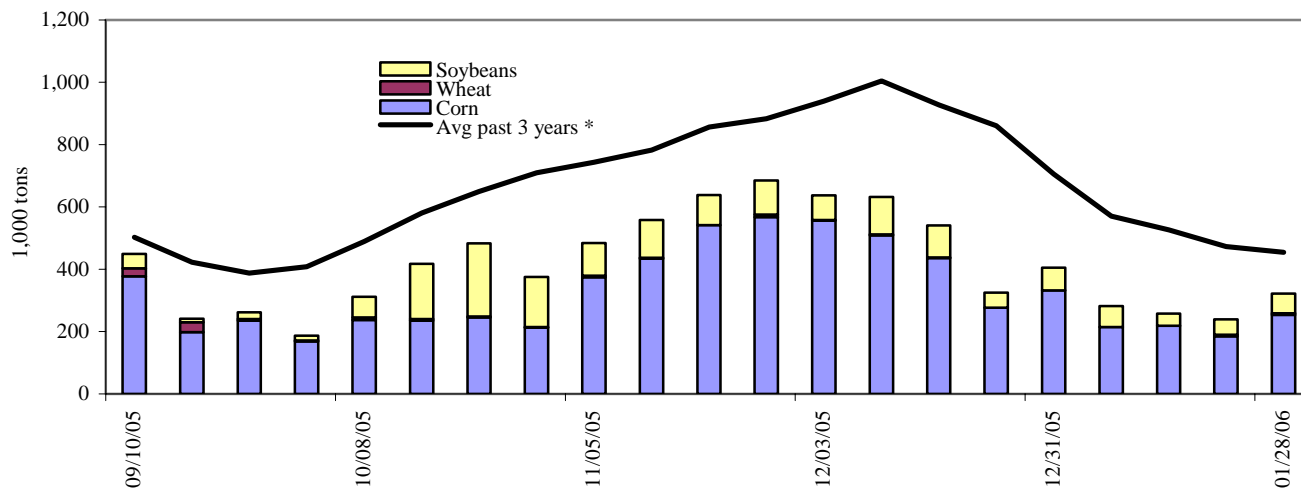


Figure 7

Barge movements on the Mississippi River (Locks 27 - Granite City, IL)

* 4-week moving average

Source: Transportation & Marketing Programs/AMS/USDA

Table 10--Barge grain movements (1,000 tons)

Week ending 1/28/2006	Corn	Wheat	Soybean	Other	Total
Mississippi River					
Rock Island, IL (L15)	0	0	0	0	0
Winfield, MO (L25)	18	0	4	0	22
Alton, IL (L26)	286	5	68	0	359
Granite City, IL (L27)	253	5	64	0	321
Illinois River (L8)	245	9	40	0	293
Ohio River (L52)	138	12	49	3	202
Arkansas River (L1)	0	17	21	9	47
2006 YTD	1,508	92	546	75	2,221
2005 YTD	1,441	75	774	72	2,362
2006 as % of 2005 YTD	105	123	71	104	94
Total 2005	23,761	1,620	7,276	731	33,388

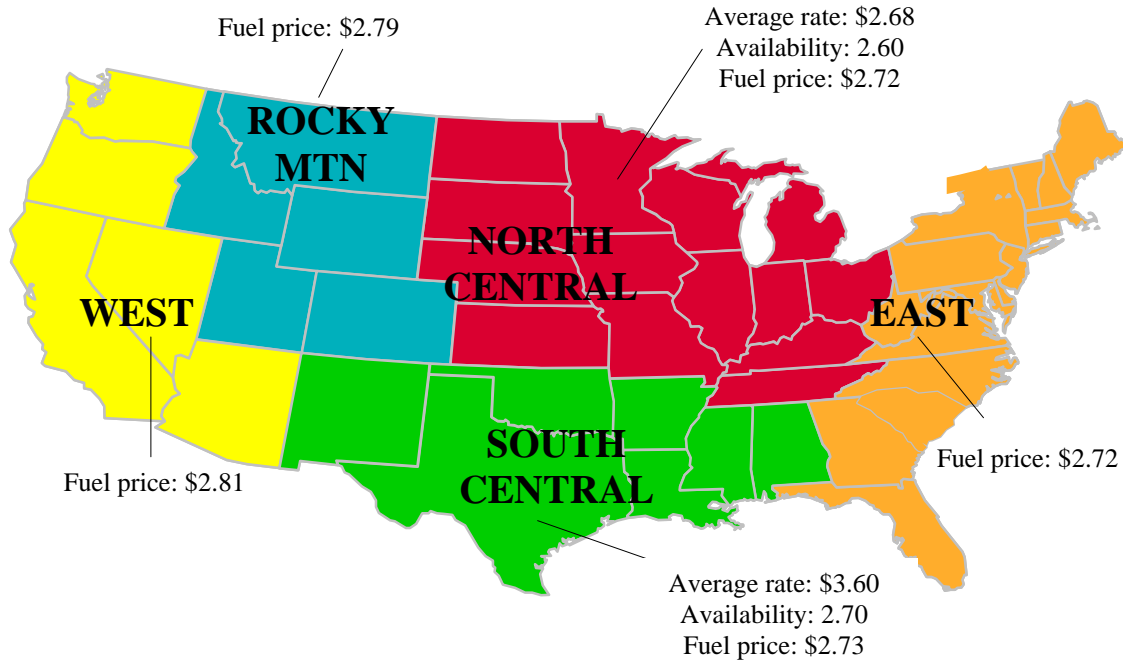
YTD (year-to-date) and calendar year total includes Miss/27, Ohio/52, and Ark/1; "Other" refers to oats, barley, sorghum, and rye.

Source: U.S. Army Corp of Engineers (www.mvr.usace.army.mil/mvrmi/omni/webbrpts/default.asp)

Note: Total may not add exactly, due to rounding

Truck Transportation

Figure 8
U.S. grain truck market advisory, 4th quarter 2005*



*Average rate per loaded mile, based on truck rates for trips of 25, 100, and 200 miles

Note: Fuel prices are a quarterly average (unit per gallon)

Fuel price data source: Energy Information Administration, U.S. Department of Energy, www.eia.doe.gov

Table 11--U.S. grain truck market overview, 4th quarter 2005

Region	25 miles	100 miles	200 miles	Truck availability	Truck activity	Future truck activity
	¹ Rate per mile			<i>Rating compared to same quarter last year</i>		
				1=Very easy to 5=Very difficult	1=Much lower to 5=Much higher	
National average²	3.31	2.46	2.26	2.6	2.9	2.9
North Central region	3.23	2.51	2.29	2.6	3.0	3.0
Rocky Mountain	4.58	2.35	1.95	2.8	3.0	3.0
South Central	3.00	2.42	2.39	2.7	2.5	2.7
West	n/a	n/a	n/a	2.0	3.5	3.0

¹Rates are based on trucks with 80,000 lb gross vehicle weight limit

²National average includes: AL, AR, CO, IA, ID, IL, IN, KS, LA, MN, MO, MS, MT, ND, NE, OH, OK, OR, SD, TX, WA, WI, and WY.

Source: Transportation and Marketing Programs/AMS/USDA

The **weekly diesel price** provides a proxy for trends in U.S. truck rates. Diesel fuel is a significant expense for truck grain movements, accounting for 37 percent of the estimated variable cost.

Table 12--Retail on-highway diesel prices*, week ending 2/06/06 (US\$/gallon)

Region	Location	Price	Change from	
			Week ago	Year ago
I	East Coast	2.536	0.006	0.511
	New England	2.659	-0.002	0.437
	Central Atlantic	2.618	0.000	0.459
	Lower Atlantic	2.490	0.009	0.540
II	Midwest ¹	2.445	0.014	0.507
III	Gulf Coast ²	2.463	0.009	0.525
IV	Rocky Mountain	2.503	0.029	0.536
V	West Coast	2.645	0.005	0.532
	California	2.739	0.006	0.595
Total	U.S.	2.499	0.010	0.516

*Diesel fuel prices include all taxes.

Source: Energy Information Administration/U.S. Department of Energy (www.eia.doe.gov)

¹Same as North Central

²Same as South Central

Grain Exports

Table 13--U.S. export balances (1,000 metric tons)

Week ending 1/	Wheat						Corn	Soybeans	Total
	HRW	SRW	HRS	SWW	DUR	All wheat			
1/26/2006	2,039	264	1,057	700	126	4,185	7,858	4,403	16,446
This week year ago	1,562	389	1,220	604	111	3,886	6,257	4,951	15,094
Cumulative exports-crop year 2/									
2005/06 YTD	7,386	1,383	5,297	2,829	528	17,422	19,502	13,284	50,208
2004/05 YTD	6,490	2,576	5,407	3,574	418	18,465	19,755	18,152	56,372
2005/06 as % of 2004/05	114	54	98	79	126	94	99	73	89
2004/05 Total	9,407	3,217	8,083	4,773	686	26,117	44,953	29,878	100,948
2003/04 Total	12,697	3,785	6,928	4,895	1,053	29,359	47,704	24,108	101,171

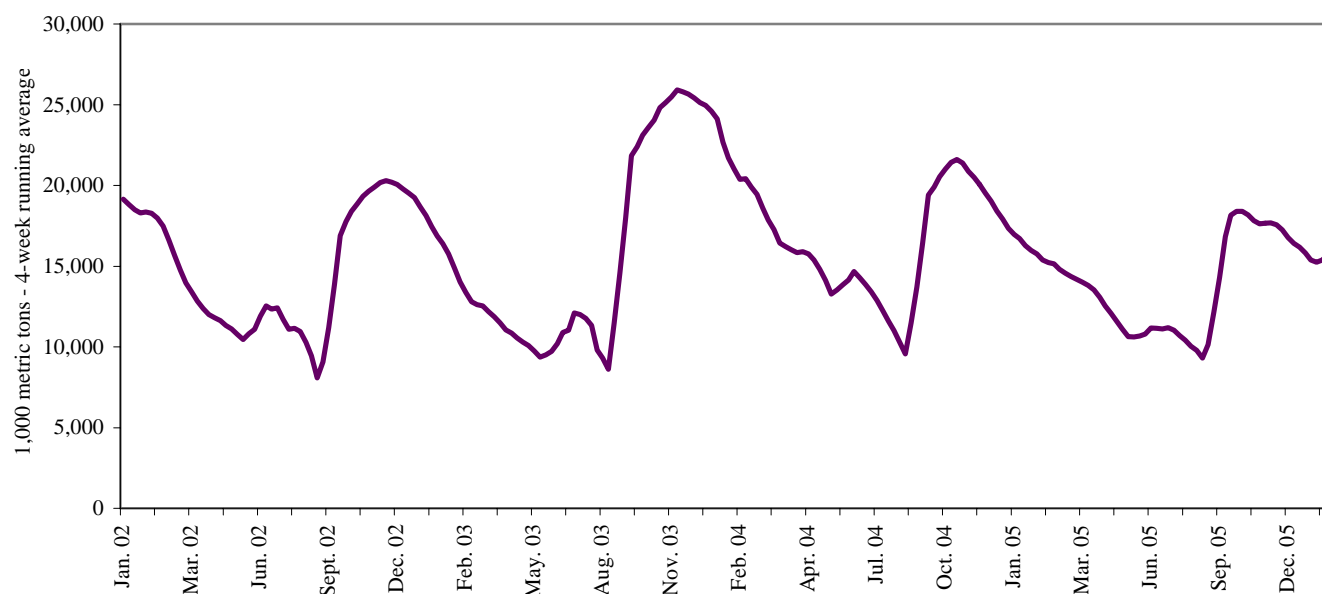
Note: YTD = year-to-date. Crop year: wheat = 6/01-5/31, corn & soybeans = 9/01-8/31, 1/ = Current unshipped export sales to date

2/ = Shipped export sales to date

Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Figure 9

U.S. grain, unshipped export balance, including wheat, corn, and soybean sales



Source: Foreign Agricultural Service/USDA (www.fas.usda.gov)

Table 14--Select U.S. port regions - grain inspections for export (1,000 metric tons)

Week ending	Pacific Region			Mississippi Gulf			Texas Gulf			Port Region total		
	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Wheat	Corn	Soybeans	Pacific	Mississippi	Texas
02/02/06	281	166	129	142	802	387	224	0	0	576	1,331	224
2006 YTD	1,138	815	530	477	3,365	2,138	1,027	41	10	2,483	5,980	1,078
2005 YTD	1,184	806	808	539	2,705	2,860	422	82	6	2,798	6,104	509
2006 as % of 2005	96	101	66	88	124	75	243	50	170	89	98	212
2005 Total *	10,801	10,104	6,225	4,643	27,596	14,793	7,743	810	36	27,130	47,032	8,589

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov); YTD: year-to-date; *includes weekly revisions

The United States exports approximately one-quarter of the grain it produces. On average, it includes nearly 45 percent of U.S.-grown wheat, 35 percent of U.S.-grown soybeans, and 20 percent of the U.S.-grown corn. Approximately 55 percent of these U.S. export grain shipments departed through the Mississippi Gulf region in 2004.

Figure 10

U.S. grain inspected for export (wheat, corn, and soybeans)

Source: Grain Inspection, Packers and Stockyards Administration/USDA (www.gipsa.usda.gov)

Ocean Transportation

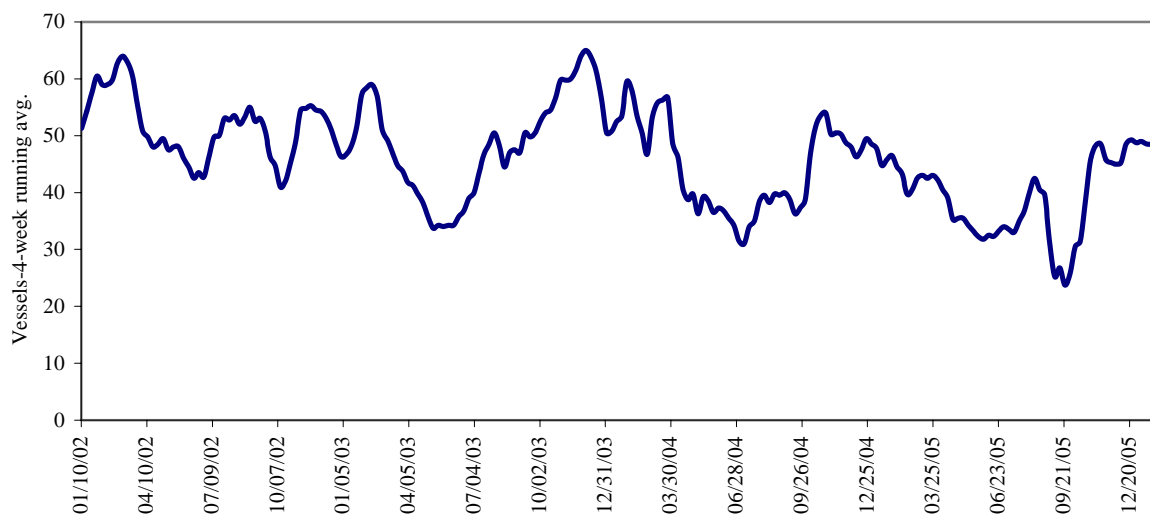
Table 15--Weekly port region grain ocean vessel activity (number of vessels)

Date	Gulf			Pacific Northwest	Vancouver B.C.
	In port	Loaded 7-days	Due next 10-days	In port	In port
2/2/2006	35	52	61	15	9
1/26/2006	25	43	81	13	7
2005 range	(11..57)	(10..56)	(18..76)	(2..16)	(0..17)
2005 avg.	27	39	53	9	7

Source: Transportation & Marketing Programs/AMS/USDA

Figure 11

Gulf Port grain vessel loading (past 7 days)



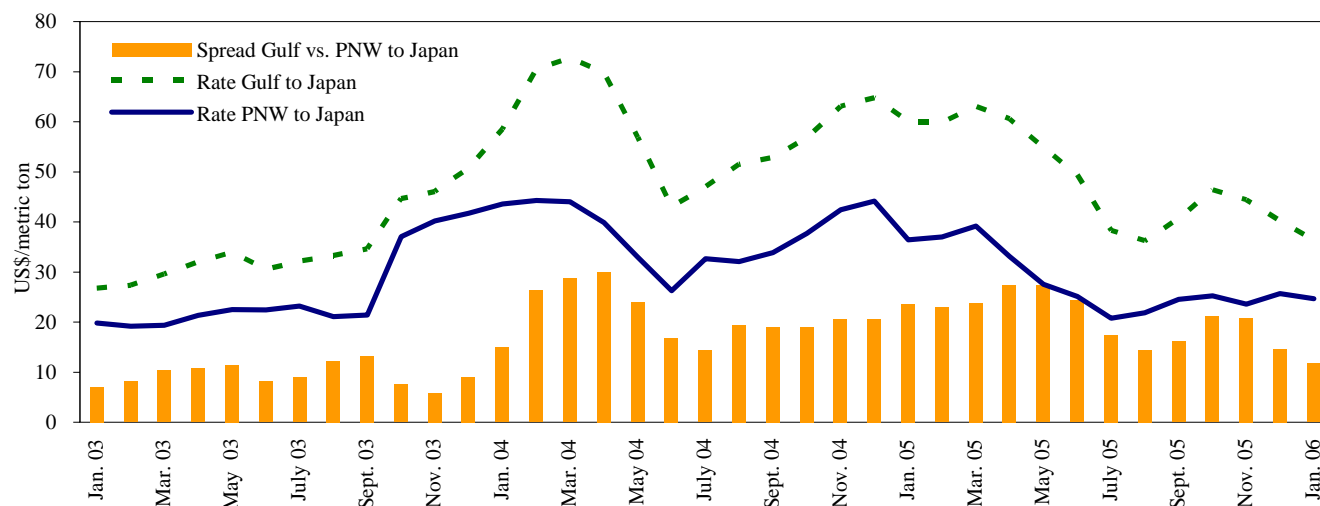
Source: Transportation & Marketing Programs/AMS/USDA

Table 16--Quarterly ocean freight rates (average rates & percentage changes) (US\$/metric ton)

Countries/ regions	2005 4 th qtr	2004 4 th qtr	Percent change	Countries/ regions	2005 4 th qtr	2004 4 th qtr	Percent change
Gulf to				Pacific NW to			
Japan	46.75	60.83	-23	Japan	---	---	---
China		56.35	---	Argentina/Brazil to			
N. Africa	31.75	---	---	N. Africa	42.67	---	---
Med. Sea	31.75	---	---	Mediterranean	40.20	---	---

Source: Maritime Research, Inc. (www.maritime-research.com)

Figure 12

Grain vessel rates, U.S. to Japan

Source: Baltic Exchange (www.balticexchange.com)

Table 17--Ocean freight rates for selected shipments, week ending 2/4/06

Export region	Import region	Grain	Month	Volume loads (metric tons)	Freight rate (\$/metric ton)
U.S. Gulf	Kenya*	Sorghum&Corn	Dec 29/Jan 9	15,450 / 3,200	89.23
U.S. Gulf	Japan	Hvy Grain	Jan 25/Feb 5	54,000	37.45
U.S. Gulf	China	Hvy Grain	Feb 1/10	55,000	32.00
U.S. Gulf	China	Hvy Grain	Feb 20/28	55,000	31.00
Portland, Oregon	Saudi Arabia	Barley	Feb 1/5	55,000	27.00
Brazil	N. China	Hvy Grain	Feb 10/18	58,000	27.50
River Plate	Spain	Grains	Jan 25/Feb 10	45,000	29.00

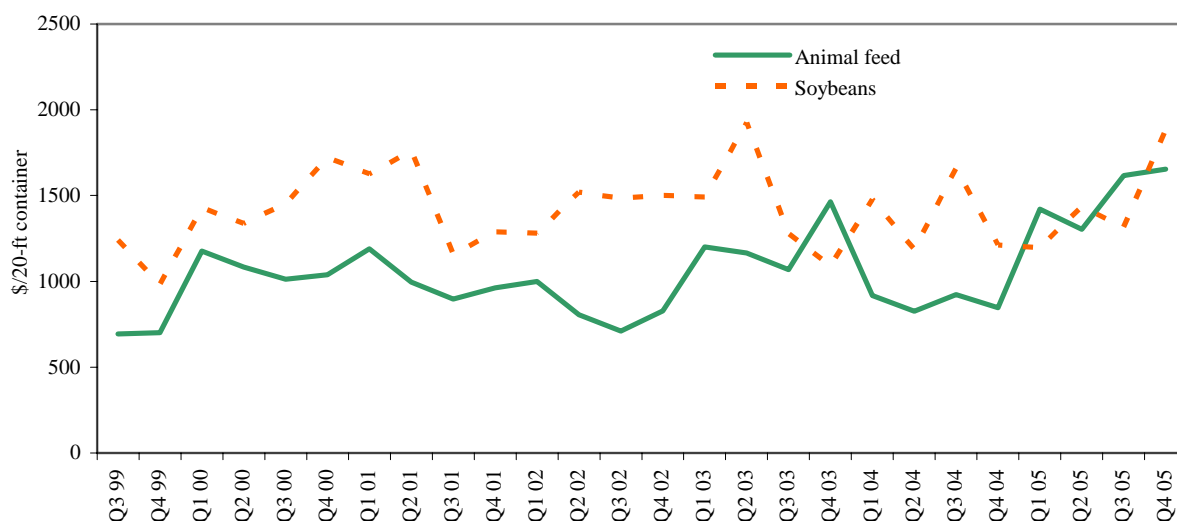
Rates shown are for metric ton (2,204.62 lbs. = 1 metric ton), F.O.B., except where otherwise indicates; op = option

*75 percent of food aid from the United States is required to be shipped on U.S. flag vessels. The vessels are limited in availability resulting in higher rates. In addition, destinations receiving food aid generally lack adequate port unloading facilities, requiring the vessel to remain in port for a longer duration than normal.

Source: Maritime Research Inc. (www.maritime-research.com)

Figure 13

Weighted average rates¹ for containerized shipments of animal feed and soybeans to selected Asian countries



¹Animal Feed: Busan-Korea (12%), Kaohsiung-Taiwan (34%), Tokyo-Japan (35%), Hong Kong (13%), Bangkok-Thailand (6%) and soybeans: Busan-Korea (1%), Keelung-Taiwan (89%), Tokyo-Japan (8%), Bangkok-Thailand (1%), Hong Kong (1%)

Quarter 4, 2005.

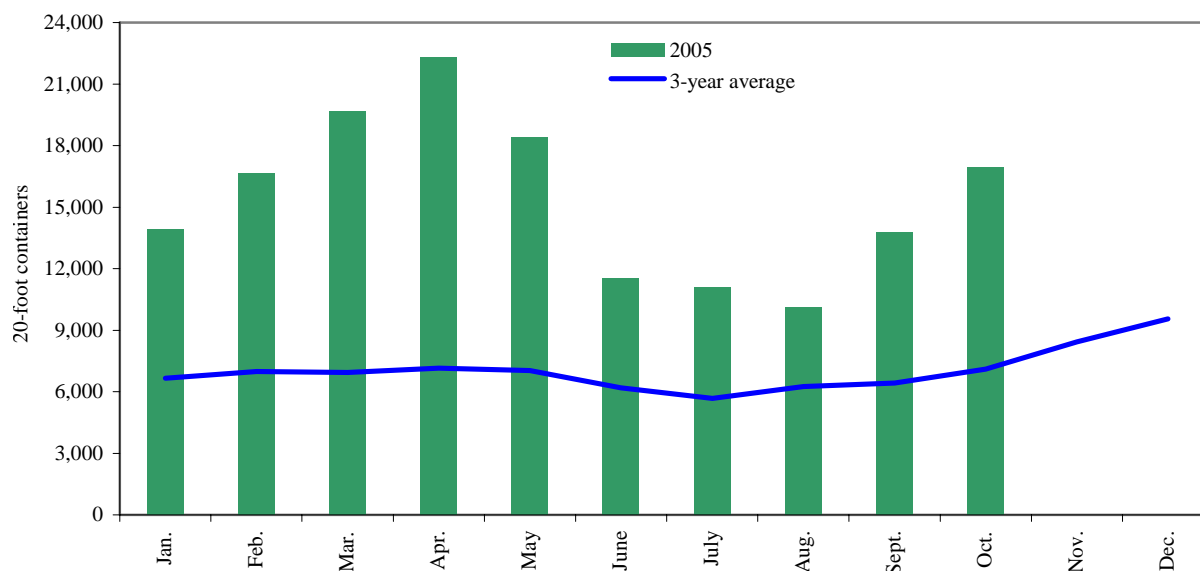
Source: Ocean Rate Bulletin, Transportation & Marketing Programs/AMS/USDA

Container ocean freight rates – average rate per twenty-foot equivalent unit (TEU) weighted by shipping line market share and trade route.

During 2004, containers were used to transport 2 percent of total U.S. grain exported, and 3 percent of total U.S. grain exported to Asia.

Figure 14

Monthly shipments of containerized grain to Asia for 2005 compared with a 3-year average



Source: Port Import Export Reporting Service (PIERS), *Journal of Commerce*

Note: PIERS data is available with a lag of approximately 40 days

Brazil Transportation

Figure 15
Routes and Regions considered in the Brazilian soybean export transportation indicator¹



¹ Regions comprised 84 percent of Brazilian soybean production, 2003
Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 18--Truck rates for selected Brazilian soybean export transportation routes, 3rd quarter 2005

Route #	Origin ¹ (reference city)	Destination	Distance (miles) ²	Weight(%) ³	Freight price (per 100 miles) ⁴
1	Northwest RS ⁵ (Cruz Alta)	Rio Grande	288	16.6	4.39
2	North MT(Sorriso)	Santos	1190	10.1	6.99
3	North MT(Sorriso)	Paranaguá	1262	9.5	6.39
4	South GO(Rio Verde)	Santos	587	7.0	7.13
5	South GO(Rio Verde)	Paranaguá	726	5.6	5.60
6	North Center PR(Londrina)	Paranaguá	268	4.4	8.49
7	Western Center PR(Mamborê)	Paranaguá	311	3.9	5.88
8	Triangle MG(Uberaba)	Santos	339	3.8	9.93
9	West PR(Assis Chateaubriand)	Paranaguá	377	3.7	5.95
10	West Extreme BA(São Desidério)	Ilhéus	544	3.6	7.56
11	Southeast MT(Primavera do Leste)	Santos	901	3.6	6.76
12	Southeast MT(Primavera do Leste)	Paranaguá	975	3.3	6.14
13	Southwest MS(Maracaju)	Paranaguá	612	3.1	5.69
14	Southwest MS(Maracaju)	Santos	652	2.9	5.66
15	West PR(Assis Chateaubriand)	Santos	550	2.5	5.65
16	Western Center RS(Tupanciretã)	Rio Grande	273	2.4	5.60
17	Southwest PR(Chopinzinho)	Paranaguá	291	2.3	8.34
18	Eastern Center PR(Castro)	Paranaguá	130	2.3	9.53
19	South Center PR(Guarapuava)	Paranaguá	204	2.1	8.32
20	North Center MS(São Gabriel do Oeste)	Santos	720	2.0	5.25
21	Ribeirão Preto SP(Guairá)	Santos	314	1.5	7.98
22	Northeast MT(Canarana)	Santos	950	1.4	7.62
23	Assis SP(Palmital)	Santos	285	1.2	8.01
24	Northeast MT(Canarana)	Paranaguá	1075	1.2	6.72
Average			626	100	6.48

¹Although each origin region comprises several cities, the main city is considered as a reference to establish the freight price

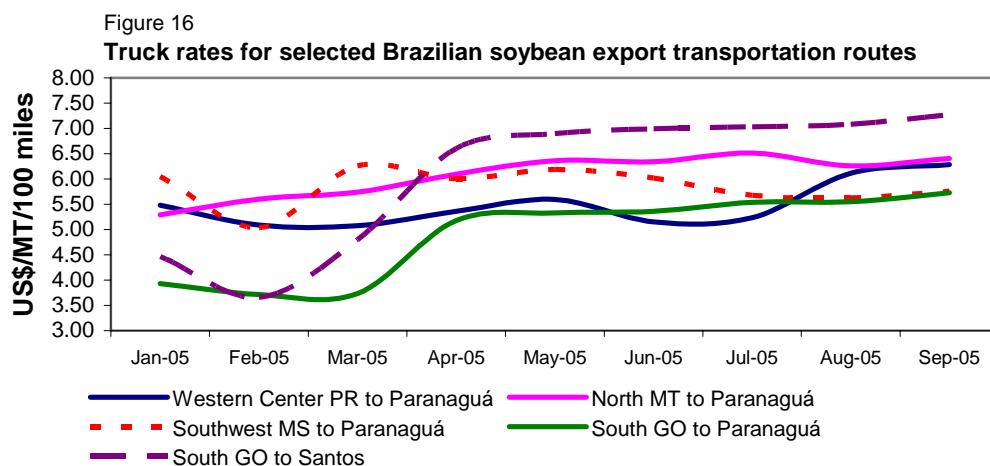
²Distance from the main city of the considered region to the mentioned ports

³The weight is directly proportional to the amount of production in each region

⁴US\$ per metric ton (average monthly exchange rate from "Banco Central do Brasil" was used to convert Brazilian reais to the U.S. dollar)

⁵RS = Rio Grande Do Sul, MT= Mato Grosso, GO = Goiás, PR = Paraná, MG = Minas Gerais, BA = Bahia, MS = Mato Grosso Do Sul, SP = São Paulo

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS



Source: ESALQ/ USP (University of São Paulo, Brazil) and USDA/AMS

Table 19--Monthly Brazilian soybean export truck transportation cost index

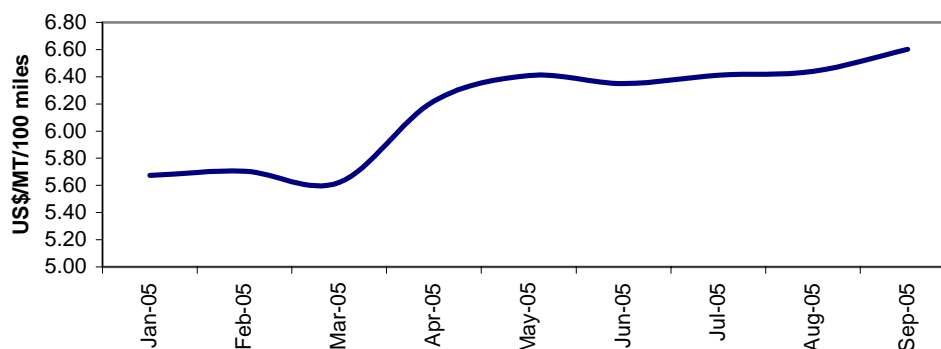
Month	Freight price* (per 100 miles)	Index variation (%) (Base: prior month)	Index value (Base: Jan. 05 = 100)
Jan. 05	5.67		100.00
Feb. 05	5.71	0.5	100.54
Mar. 05	5.62	-1.5	99.08
Apr. 05	6.22	10.6	109.61
May 05	6.41	3.1	112.96
Jun. 05	6.35	-0.9	111.90
Jul. 05	6.41	1.0	112.99
Aug. 05	6.44	0.4	113.46
Sep. 05	6.60	2.5	116.36

*weighted average and quoted in US\$ per metric ton

Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Figure 17

Brazilian soybean export truck transportation weighted average prices, 2005



Source: ESALQ/USP (University of São Paulo, Brazil) and USDA/AMS

Table 20--Quarterly ocean freight rates for shipping soybeans from selected Brazilian ports to Hamburg, Germany (US\$/metric ton)*

Ports	2005 1st qtr	2005 2nd qtr	2005 3rd qtr
Santos	45.53	45.84	44.54
Paranagua	44.64	44.84**	43.54
Rio Grande	44.20	44.39	43.04

*correspond to the average actual values negotiated between shippers and carriers and weighted according to the magnitude of the shipped volumes

Source: Sistema de Informações de Fretes, SIFRECA, ESALQ/USP (University of São Paulo, Brazil)

**Revised figure

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Related Websites

Agricultural Container Indicators
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